

UNITED STATES BANKRUPTCY COURT  
EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

FILED  
2014 AUG 25 P 2:18  
U.S. BANKRUPTCY  
E.D. MICHIGAN-DETROIT

CARL WILLIAMS AND HASSAN ALEEM et al  
Creditors/Objectors,

v

In re:  
City OF DETROIT, MICHIGAN  
AND EMERGENCY MANAGER  
KEVYN D. ORR

Debtors/City of Detroit

Chapter 9  
Case No. 13-53846  
Judge Steven W Rhodes  
  
Case No. 14-cv-10434  
Hon. Bernard A. Freidman  
Magistrate Paul J. Komives

**OBJECTION TO THE NOTICE OF FILING OF REDLINED VERSION  
OF SIXTH AMENDED PLAN FOR THE ADJUSTMENT OF DEBTS OF THE  
CITY OF DETROIT**

We/I OBJECT TO THE NOTICE OF REDLINED VERISON OF SIXTH AMENDED  
PLAN OF ADJUSTMENT FOR THE DEBTS OF THE CITY OF DETRIOIT AND CON-  
FIRMATION OF THE PLAN, THE NOTICE WAS AFTER THE FACT, UNTIMELY, CON-  
TRARY TO THE FACTS, MISREPRESENTATION OF THE BANKRUPTCY CODE AND  
RULES AND HAS NOT BEEN PRESENTED AND CONDUCTED IN A GOOD FAITH  
MANNER.

We/I object to the Notice of filing of redlined version of Six Amended Plan of Adjustment for the debts of the city of Detroit and confirmation of any Plan stemming from or connected to this plan of Adjustment and show the following:

1) We/I object to the Six Plan of Adjustment and confirmation to the vote of the Fourth Plan and the whole bankruptcy procedure because the state through the Emergency Manager, Kevyn Orr filed for bankruptcy and not the City of Detroit, without the city consent and approval. Therefore, it is illegal and the court lack jurisdiction. This is a violation of Bankruptcy Code that states at section 903 (1) and (2). A State law prescribing a method of composition of indebtedness of such municipality may not bind any creditor that does not consent to such composition. In conjunction with 11 USC 903 we also included 11 USC 904 that requires “any power of the court, unless the debtor consent or the plan so provides. The consent of both the creditors and the debtors are required only by consent, which was not done in this case and demonstrate the bankruptcy wasn’t filed in a good faith manner and failed to meet

the requirements 11 USC 903 and 904 as required by 11 USC 921(c). Kevyn Orr (the state appointed official) has violated both section 11 USC 903, 904 and 921 of the bankruptcy code clearly shows he is not the proper person or an elected official.

Pennsylvania 465 B.R. 744 (Bankr. M.D. Pa 21).

**The power to govern remains with the municipality not with the judge or any unelected official, unless State, not Federal, law provides for some alternate system. (121 Cong Rec H39413 daily ed Dec 9 1975); remarks of Reps Kindness and Edward. 11USC (03 Norton Bankruptcy Law and Practice 3<sup>rd</sup>. Congressional Record Statement (Reform Act of 1978).**

2) To clarify the record the Creditors Hassan Aleem, Carl Williams and others still **were not legally notified, not personally or publicly to the Notice of filing of redlined version of Sixth Amended Plan for the Adjustment of debts of the city of Detroit.** The bankruptcy court continues to violate the bankruptcy codes and rules despite the fact we have repeatedly cited this violation in the first, second, third, fourth, fifth and now the Sixth Amendment of the Plan of Adjustment. We informed the court in (Objection filed and endorsed August 22 2013, Response to the

First Amended Order regarding eligibility objections notice and hearings and certification pursuant to 28 U.S.C. Section 2403 (a) & (b) filed and endorsed September 18, 2014 and again in Objection to notice and confer session regarding certain objections to Amended Disclosure Statement with respect to Amended Plan for the Adjustment of Debts of the City of Detroit filed and endorsed April 16, 2014). The bankruptcy codes and rules doesn't change because an amendment or modification of the Plan. Creditors are still entitled to a legal proper notice as described in the bankruptcy codes and rules. In our Reconsideration of Objections to chapter 9 Bankruptcy we stated: "most creditors and anyone of interest never received a notice that violated. 11 U.S.C. 923 of the Bankruptcy code. The Bankruptcy rule provides that the clerk, or such other person as the court may direct is to give notice Fed. R. Bankr. P. 2002 (f). The notice must also be published "at least once a week for three successive weeks in at least one newspaper of general circulation published within the district in which the case commenced and in such other news-

paper having a general circulation among bond dealers and bondholders as the court designates," in title 11 U.S.C. sect 923 of the Bankruptcy code. This simply was not done once again or we should say do not meet the requirements of title 11 or chapter 9 bankruptcy procedures, which a failure to comply with the bankruptcy rule and code that is grounds for dismissal and denial of due process and equal protection of the law of the 5<sup>th</sup> and 14th Amendments of the Constitution of the United States. See page 3 of Reconsideration of objection to Chapter 9 Bankruptcy and other objections as Well.

2) We` object to Article II (3) (p)( i) page 50 of 399, Disputed class 9 COP Claim of the Notice of filing of redlined version of Sixth Amended Plan for the Adjustment of the debts of the City of Detroit that states: "The COP Claims are disputed claims and are not Allowed by the Plan and the city reserves all rights to (A) object to, avoid or subordinate such claims on any and all available grounds, including through the assertion of any and all grounds asserted in the COP litigation, and (B) assign the right to object to avoid or subordinate such claims or the city rights in the COP litigation to the litigation trust.

The city is responsible for the Certificate of Participation known as the (COPs) for even existing now they object to claims on the Certificate of Participation (COP) swap claims that was alleged to be the major cause of the bankruptcy. .

3) We object to the Plan of Adjustment because the City of Detroit did not negotiate in good faith prior to the filing of bankruptcy in violation of 11 USC 109 (c) In re Valley Health Sys, 383 B.R. 156, 163 (Bankr C.D. Cal 2008). In this case the city was more egregious by not negotiating at all. In re Cotton Water and Sanitation District, Douglas County, Colo., 138 B.R. 973, 979 (Bankr. D. Colo 1992) “plan referred to in 109(c) (4) is adjustment plan negotiated pre-petition in good faith.” The second through Six Amended Plan of Adjustments and any confirmations to those plans all have been after the fact and contrary to the rule 11 USC 109 (c) and has violated there own codes and rules and the decision cannot stand.

It is customary and a long standard principle that once an agency or a court has issued rules and regulations to govern its activity, The court’s ruled that any

time an agency promulgate rules they must scrupulously follow those rules or the decision cannot stand and may not violate them. In this case we are referring to Bankruptcy rules and codes and to bargain in good faith, regardless who makes the rule they must be followed in a civilized society of rules and law making procedures. Security & Exchange Comm v. Chenery 318 U.S. 80 87, 88 (1943), Service v Dulles, 354 U.S. 363 77 S. Ct 1152, p1 L.ED2nd 1403 (1957) Pacific Molasses Co. v FTC, Tex (356 F2d 386 (1966)).

4) We object because the City of Detroit has failed to comply with 11 USC 1125 and 1126 no proper notice and hearing on the "Six Plan of Adjustment or the Disclosure Statement as required." See In re City of Stockton, California Ch 9, Case No. 2012-32118D.C. No. OHS-15, Pg 11-12.

a) We object because the City of Detroit has failed to comply with 11 USC 1125 and 1126 no proper and adequate notice and hearing on the "Disclosure Statement as required." This demonstrate the City of Detroit failed to conduct

business in a good faith manner and failed to meet the requirement to the Bankruptcy Code title 11 U.S.C. 923, therefore, should be dismissed as provided by the Bankruptcy code 921. See *In re City of Stockton, California* Ch 9 supra.

5) The State through the Emergency Manager, Kevyn Orr failed to file bankruptcy by consent and legal approval of the citizens and unclean hand in good faith by owing \$224,000,000.00 plus interest from 2012 and approximately \$224,000,000.00 plus interest for 2013 and still owes estimated, approximately \$112,000,000.00 for 2014 thus far and still counting of unrestricted State Revenue Sharing funds of Public Act 140 of 1971 and Governor Rick Snyder stated he wasn't going too paid. The State by their actions through Governor Rick Snyder, Emergency Manager Kevyn Orr and the former treasurer Andy Dillon and the present Treasurer R. Kevin Clinton aid to orchestrated deficit and assisted in the turn around, then file an unauthorized bankruptcy under the deceiving disguise as the city through the Emergency Manager.



This clearly violated 11 USC 921 of the Bankruptcy Code and fraudulent concealment MCL 600.5855 for lack of good faith and violation of its own governing rules

6) We object to water department being included in the bankruptcy because it is self sustaining and not part of the general fund and any other asset not part of the general funds.

7) The previous mayor, Dave Bing, the City council and the Emergency Manager Kevyn Orr made a tactical, deliberate, conscious, decision to take funds from the local utility taxes strictly to maintain 5,000 policemen to protect the citizen of Detroit and purchase and renovated the old MGM casino. This created a “service delivery insolvency” and violated the Detroit City Charter section 8-202 and Article IV section 29 of the Michigan State Constitution.

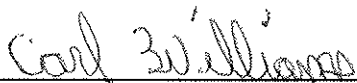
The purpose of a chapter 9 is to provide a means to restructure and adjust debt through a plan. Liquidation is not allowed under 11 U.S.C. 926 (a) and is not an alternative to municipal chapter 9 Bankruptcy there is no provision in the law for

liquidation of assets of the municipality and distribution of the proceeds to creditors. Such a liquidation or dissolution would undoubtedly violate the Tenth (10th) Amendment to the Constitution and the reservation to the state sovereignty over their internal affairs and they have not shown or presented a financial plan to avoid Bankruptcy. Just as the state want to reserve state sovereignty under the 10<sup>th</sup> Amendment. The city has that same sovereignty rights and self determination under the 14<sup>th</sup> Amendment of due process and "Equal Protection of the Law" of the United State Constitution.

8) We object to Article II Classification of claims: cramdown; executor contract and unexpired lease. Notwithstanding the foregoing, in no event shall any Holder of an allowed claimed be entitled to receive payment or distribution under the Plan that, in the aggregate, exceed the allowed amount of such Holder's claim.

WHEREFORE, and all the above fact and laws we object to the Plan of Adjustment and anything stemming from or connected to the confirmation of this plan of Adjustment.

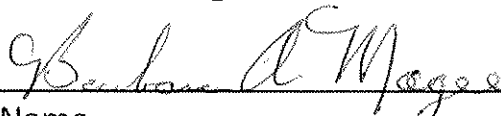
Sincerely Submitted,

  
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Carl Williams  
10112 Somerset  
Detroit, Michigan 48224

  
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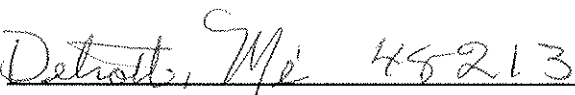
Hassan Aleem  
2440 Taylor  
Detroit, Michigan 48206

  
\_\_\_\_\_

Name

  
\_\_\_\_\_

Address

  
\_\_\_\_\_

City, State, Zip

Beily Mcclann  
Name

111 Calvert St  
Address

Detroit, MI 48202  
City, State, Zip

Thyllis Sussick  
Name

2925 Pine Hall Dr. #2-D  
Address

Detroit, MI 48207  
City, State, Zip

Benyne Goldston  
Name BENYNE GOLDSTON

17385 PARKSIDE  
Address

DETROIT, MI 48221  
City, State, Zip

WANDA JANKO / Wanda Janko  
Name

16115 Oakfield  
Address

DET 4835  
City, State, Zip

Valerie Glenn-Simons  
Name

2820 E. Grand Blvd.  
Address

Detroit, MI 48211  
City, State, Zip

James E. Simons  
Name

2820 E. Grand Blvd.  
Address

Detroit, MI 48211  
City, State, Zip

Yvonne Williams Jones  
Name

153 Arden Park  
Address

Detroit, MI 48202  
City, State, Zip

Emily Smith  
Name

19450 Gloucester DR.  
Address

Detroit, MI 48203  
City, State, Zip

Lula Mollender  
Name

3763 Buena Vista  
Address

Detroit, MI 48238  
City, State, Zip

Robert Helway  
Name

Name \_\_\_\_\_

16246 Sixwood St

Address

Detroit, Mi 48221

City, State, Zip

William M. Davis

Name

9203 Littlefield

Address

Detroit, Mich. 48228

City, State, Zip

Name

Address

City, State, Zip